

Affordable Housing in Alexandria and the Landmark/Van Dorn Area

Housing Agencies and Missions

- City of Alexandria: Office of Housing
 - Affordable housing production
 - Homeownership programs
 - Home rehabilitation programs
 - Landlord-tenant relations
 - Fair housing testing and education
- Alexandria Redevelopment and Housing Authority (ARHA)
 - Public Housing
 - Section 8 Vouchers
 - Tax-Exempt Bonds

Housing Stock



- Alexandria's housing stock is 60% renter –occupied and 40% owner-occupied, according to the 2000 Census
- American Community Survey suggests renter/ owner ratio has changed to 52%/48% as of 2006.
- 32% of housing units are single family homes, 21% are multifamily condominiums, 47% are rental apartments (2000 Census)

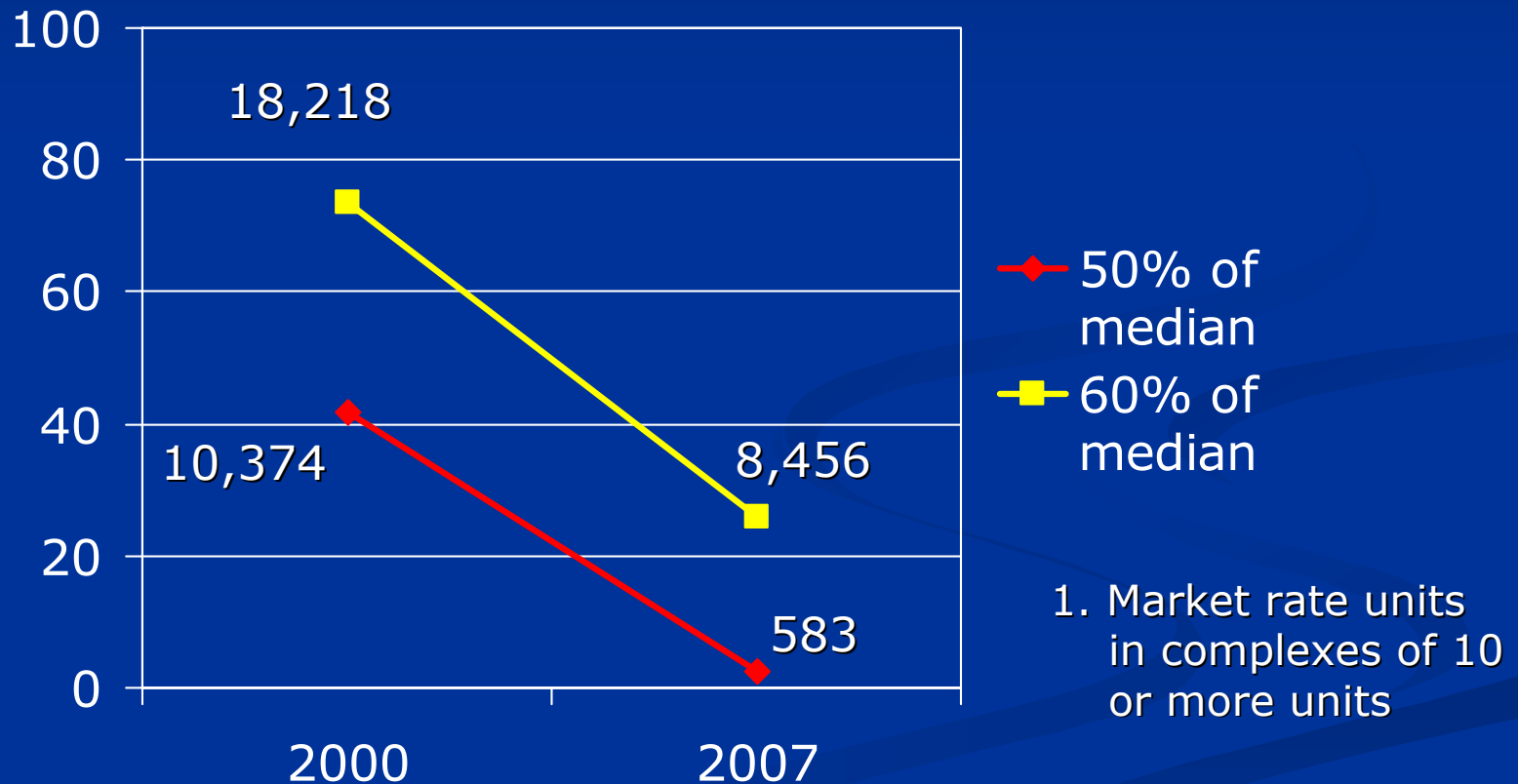
Incomes and Housing Costs

- From 2000 to 2007:

- The HUD-determined median family income for the Washington, DC metropolitan area increased by 14%, from \$82,800 to \$94,500
- The average rent for a market rate two bedroom unit in Alexandria increased by 46.9 %, from \$1,034 to \$1,519
- The average assessed value of residential property increased by 166% from \$191,341 to \$509,593
 - Single family units: 153%, \$260,907 to \$660,866
 - Condominium units: 219%, \$106,875 to \$341,008

Affordability of Rental Units

Percent of all rental apartment units¹ affordable to low and very low income households

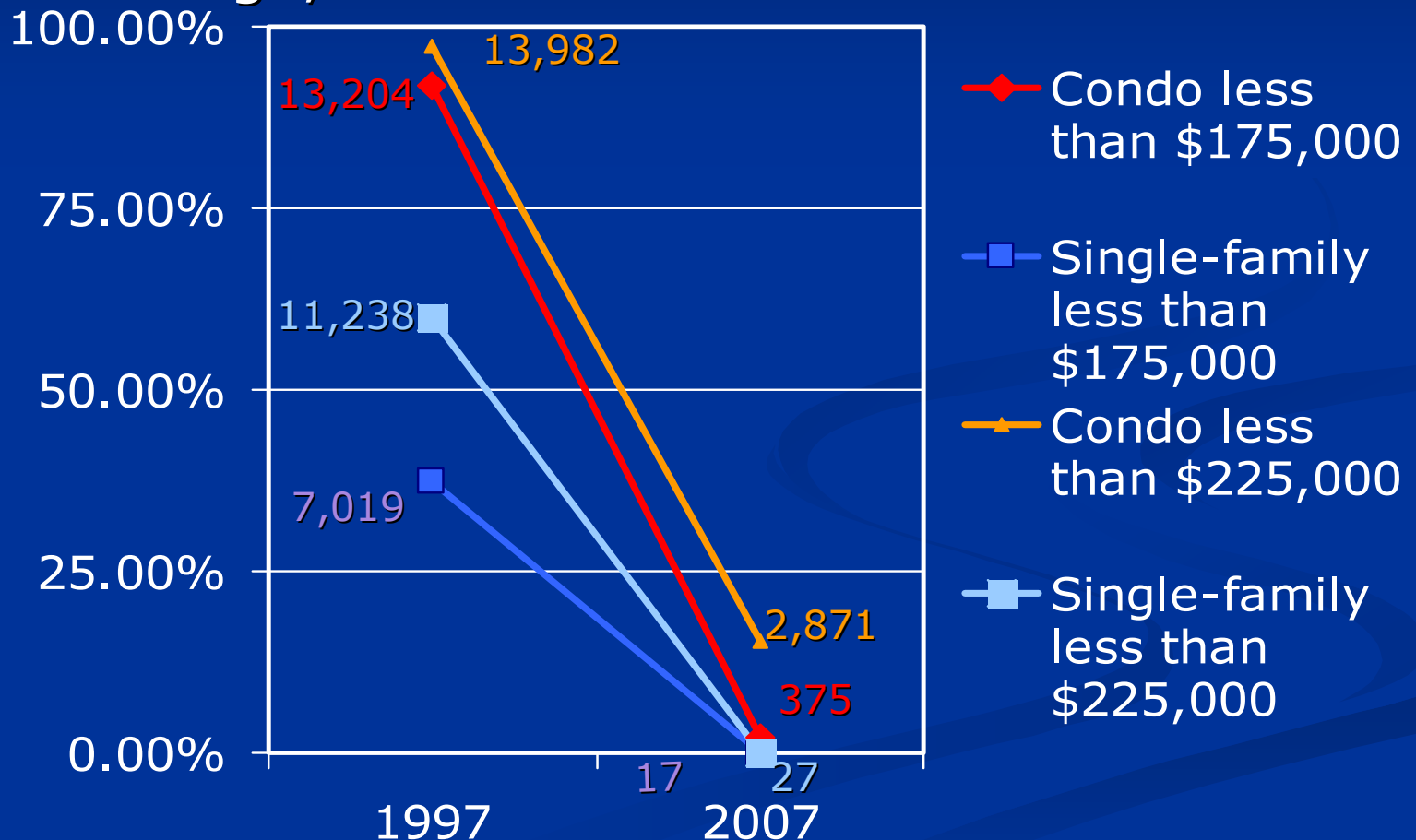


Loss of Rental Units Through Condominium Conversion

- 2,886 units registered with the state for condo conversion since November 2004 (1,067 subsequently shelved)

Ownership Housing Affordability

Percent of all units of each type in assessed value range, 1997 and 2007.



Importance of Affordable Housing

- Alexandria's ability to offer a spectrum of affordable housing options is both
 - critical to the City's future economic growth, and
 - central to the City's vision of itself as a diverse and caring community.
- The loss of affordable housing over the last decade is a clear and present threat to the City's economic and racial/ethnic diversity.

From the Introduction to the Affordable Housing Initiatives Work Group Interim Recommendations.

City Affordable Housing Activities

Producing Affordable Housing

- Housing production (sales and rental)
 - Securing affordable units in new developments
 - Using incentives under Zoning Ordinance
 - Voluntary contributions translated into units
 - Direct funding support for construction or acquisition/rehabilitation
 - Housing Opportunities Fund
 - Dedicated one cent on real property tax rate
 - General obligation bonds
 - Development of units by Alexandria Housing Development Corporation and other non-profits
 - City support for funding by others

Affordable Housing Production Units in New Developments

- 107 affordable sales units and 40 affordable rental units produced in 12 developments under City's Affordable Housing Policy
- Includes discounted and non-discounted units produced by for-profit developers, as well as 16 non-profit developer units with City assistance
- Recent completions of sales units (included in figures above):
 - Cameron Station-- 7 sales units (FY 2008)
 - The Prescott (Hopkins Warehouse): 4 sales units

Recent Discounted Unit Activity

- Recent completions of rental units (included in totals):
 - Northampton Place East-- 13 rental units in condominium building (FY 2007)
 - Halstead Park Center-- 9 rental (formerly sales) units (FY 2008)
 - Mill Race-- 28 rental (formerly sales) units (FY 2008)
 - Tuscany at Landmark: 2 rental (formerly sales) units (FY 2008)
- Pledge converted from units to cash*
 - The Monarch: \$1,000,000 in lieu of 5 sales units
 - Postmasters: \$276,615 in lieu of 4 off-site sales units

*in accordance with terms of Development Special Use Permit approval

Developer Housing Contribution Work Group Formula

■ Residential Development

- \$1.50 (rental)/\$2.00 (sales) per gsf of base permitted gross floor area, PLUS
- \$4.00 per gsf of additional floor area permitted by Zoning Code with a Special Use Permit, PLUS
- 1/3 of any new units made possible by additional square footage using bonus density/height provisions

■ Commercial Development

- \$1.50 per gross square foot

Planned Developments Since Acceptance of Current Formula

■ Approved

- Lane Development Condominiums 32-38 rental units
- Potomac Yard Landbay H 4 rental units, Alexandria Housing Development Corporation (AHDC)
- Mt. Vernon Commons 9 rental or sales units
- The Station at Potomac Yard- 64 rental units (AHDC)

■ Pending

- Braddock Metro Condominiums - 7 sales units
- Hunting Terrace – 530 units (430 sales and 100 rental) at Hunting Towers

ATA – Lane Development



The Station at Potomac Yard



Recent and Current Projects with City Funding

- Acquired and Rehabilitated
 - ParcView Apartments (159 units converted to 149 units; 120 affordable), Wesley Housing Development Corporation
- Acquired, Under Rehabilitation
 - Beverly Park (41 units converted to 33 units), Wesley Housing
- Acquired, Rehabilitation Pending:
 - Arbelo Apartments (34 Units), RPJ Housing
 - Lacy Court (including Monroe Nelson) Apartments (44 units), RPJ
 - Longview Terrace (41 units), RPJ

ParcView Apartments

Acquired by Wesley Housing Development Corporation with City assistance; rehabilitation completed



Total units: 159 (120 after Rehab)

City investment: \$9 million

Beverly Park Apartments

Acquired by Wesley Housing Development Corporation
with City assistance; rehabilitation in progress



Total units: 41 (33 after rehab)

City investment: \$1,500,000

Arbelo Apartments

Acquired by RPJ Housing Development Corporation;
rehabilitation pending



Total units: 34
City investment:
\$3,500,000



Lacy Court and Monroe Nelson Apartments

Acquired by RPJ Housing Development Corporation;
rehabilitation pending



Lacy Court



Monroe Nelson

Total units: 44

City investment: \$6,615,000

Pending Projects with Approved City Funding

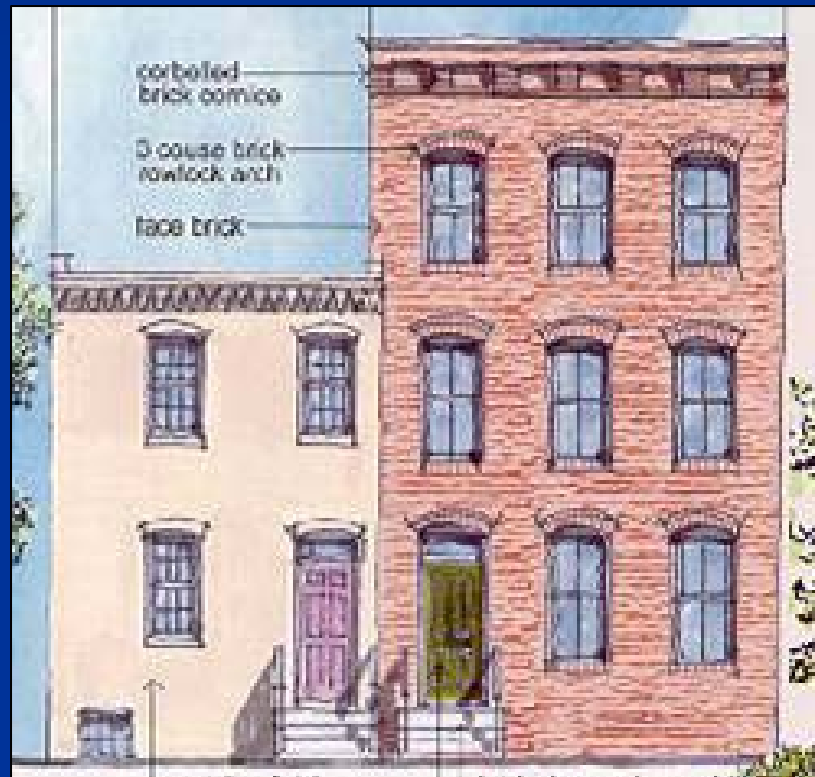
■ Approved:

- Beasley Square (8 units), Harambee Community and Economic Development Corporation (new construction)
- Quaker Hill (60 units), ARHA (acquisition from current tax credit partnership)
- Glebe Park (66 affordable, 10 workforce, 8 market units), ARHA (redevelopment)

■ Pending Possible Renegotiation with Owner: Gunston Hall

Beasley Square

To be constructed by Harambee Community and
Economic Development Corporation



Total Units: 8 Initial City funding: \$232,500; Approved construction financing: \$806,500

Quaker Hill

To be acquired from current tax credit partnership by a new partnership established by the Alexandria Redevelopment and Housing Authority (ARHA); rehabilitation to follow



Total units: 60

City investment:
\$4,700,000

Making Housing Affordable

■ Assistance with housing costs

■ Homeownership costs

- Down payment and closing costs
- Mortgage financing
- Fostering/encouraging private investment
- Property tax relief
- Home rehabilitation assistance

■ Rental costs

- Rent subsidies (ARHA, HUD)
- Rent relief

Homeownership Programs

- No-interest, deferred down payment and closing cost assistance
 - Homeownership Assistance Program (HAP)
 - Moderate Income Homeownership Program (MIHP)
 - Employee Homeownership Incentive Program (EHIP)
- Seller Incentive Fund (Suspended FY 2007)
- Access to VHDA Special Mortgage Programs: SPARC and Home Stride (Home Stride suspended in FY 09)

Property Tax Relief

- Rising property taxes can create affordability problems for homeowners with low incomes or fixed incomes
- City offers two programs through the Finance Department to address this problem
 - Tax Relief for Elderly/Disabled
 - Affordable Homeownership Preservation (AHOP)

Rental Assistance

- Most rental assistance in Alexandria is provided by ARHA or private entities using federal programs
- City's role is primarily affordable housing production assistance (Office of Housing) and rent relief for elderly/disabled (Department of Human Services)
- Office of Housing also works to preserve/replace current assisted units, including “Resolution 830” units such as Samuel Madden Homes (Downtown) and Quaker Hill
 - Samuel Madden - \$3.5 million plus \$700K property acquisition
 - Quaker Hill - \$3.5 million (plus extension of outstanding \$1.2 million)
 - Glebe Park - \$5.6 million to retire existing mortgage

Other Programs/Activities

- Home Rehabilitation Loan Program
- Rental Accessibility Modification Program (RAMP)
- Fair Housing Testing Program
- Landlord-Tenant Complaint Mediation
- Annual Rent/Vacancy Survey

Affordable Housing Initiatives Work Group Interim Recommendations

Key Findings

- From 2000 to 2007, Alexandria lost nearly 10,000 affordable rental housing units
- During the same period, Alexandria lost more than 16,500 affordable ownership units
- Resources are dwindling
- The current economic climate presents both challenges and unique opportunities

Policy Priorities

- Quantitative affordable housing targets are required and proactive planning and a housing master plan are needed to achieve those targets
- Rental preservation should be Alexandria's primary focus for people earning less than 60% of median income
- Home ownership should be Alexandria's primary focus for people earning over 60% of area median income

Initial Recommendations

■ *Enhanced Definition of Affordable Housing*

	Affordable	Workforce
Rental	<p><u>Up to 60% of median</u> (with attention paid to households at 0% - 30% of median and 31% - 50% of median)</p> <p>Examples (using 2007 income limits): <u>One person <\$39,720</u> -Parking Lot Attendant -Cashier -Accounting Clerk -Auto Mechanic -Executive Secretary <u>Three person <\$51,060</u> -Paralegal -Mental Health Worker -Custodian and Maid/Housekeeper</p>	<p><u>Up to mathematical 80% of median</u></p> <p>Examples (using 2007 income limits): <u>One person <\$52,900</u> -Deputy Sheriff -Lab Tech -Superintendent of Construction <u>Three person <\$68,050</u> -Teacher Assistant and Claims Adjuster -Nurses Aid and Fire Fighter -Electrician -Landscape Architect</p>

Initial Recommendations continued

	Affordable	Workforce
Home-ownership	<p><u>Up to mathematical 80% of median</u></p> <p>To be used for Homeownership Assistance Program (HAP)</p>	<p><u>Up to 120% of median</u></p> <p>Some in this group[1] would be eligible for Moderate Income Homeownership Program (MIHP); higher income levels in this group would be eligible for set-aside units but not MIHP assistance.</p>
	<p>Examples (using 2007 income limits):</p> <p><u>One person <\$52,900</u></p> <ul style="list-style-type: none"> -Police Corporal -Insurance Agent -Computer Support Specialist <p><u>Three person <\$68,050</u></p> <ul style="list-style-type: none"> -Teacher Assistant and Claims Adjuster -Nurses Aid and Fire Fighter -Electrician -Landscape Architect 	<p>Examples (using 2007 income limits):</p> <p><u>One person <\$75,600 (MIHP)</u></p> <ul style="list-style-type: none"> -Architect -Speech Pathologist <p><u>One person <\$79,400 (120%)</u></p> <ul style="list-style-type: none"> -Real Estate Broker -Network and Computer System Administrator <p><u>Three person <\$94,500 (MIHP)</u></p> <ul style="list-style-type: none"> -School Psychologist -Preschool Teacher and Deputy Sheriff IV -Executive Secretary and Police Corporal <p><u>Three person <\$102,050 (120%)</u></p> <ul style="list-style-type: none"> -Two Teachers -Electrician and Retail Manager

Initial Recommendations continued

■ *Preserve Current Market Rate Affordable Rental Units*

- Track and communicate with owners of market rate rental units
- Affordable housing contributions should be focused towards preservation and other high priority and/or cost-efficient activities rather than new onsite units
- The level of affordable housing contributions should be revisited and additional contribution options should be developed

■ *Home Ownership*

- Change Homeownership Assistance Program income levels
- Develop additional mechanisms for long term ownership preservation
- Expand assistance under the City & Schools down-payment program (Employee Homeownership Incentive Program)

Initial Recommendations continued

■ *Proactive Planning*

- Work on a affordable housing chapter of the master plan
 - Consider options for transfers of development rights
 - Review ADU policy
 - Review housing distribution throughout the City
 - Examine trade-offs between parking and housing affordability
 - Encourage family sized units
 - Developer education

■ *Reporting*

- The Council should instruct City staff to report on the progress against these goals at least twice a year

Ongoing Review

- Planning and Zoning tools
- Preservation tax incentives and related tools
- Rights of first
- Short term financing
- Long term financing
- Resolution 830
- Support for non-profits and other affordable housing providers
- Legislative
- Metrics
- Examine creative uses of existing housing
- Use of public land
- Other

Landmark Area Affordable Housing

Affordable Housing in the Landmark/Van Dorn Area

■ Publicly-Assisted Rental Housing

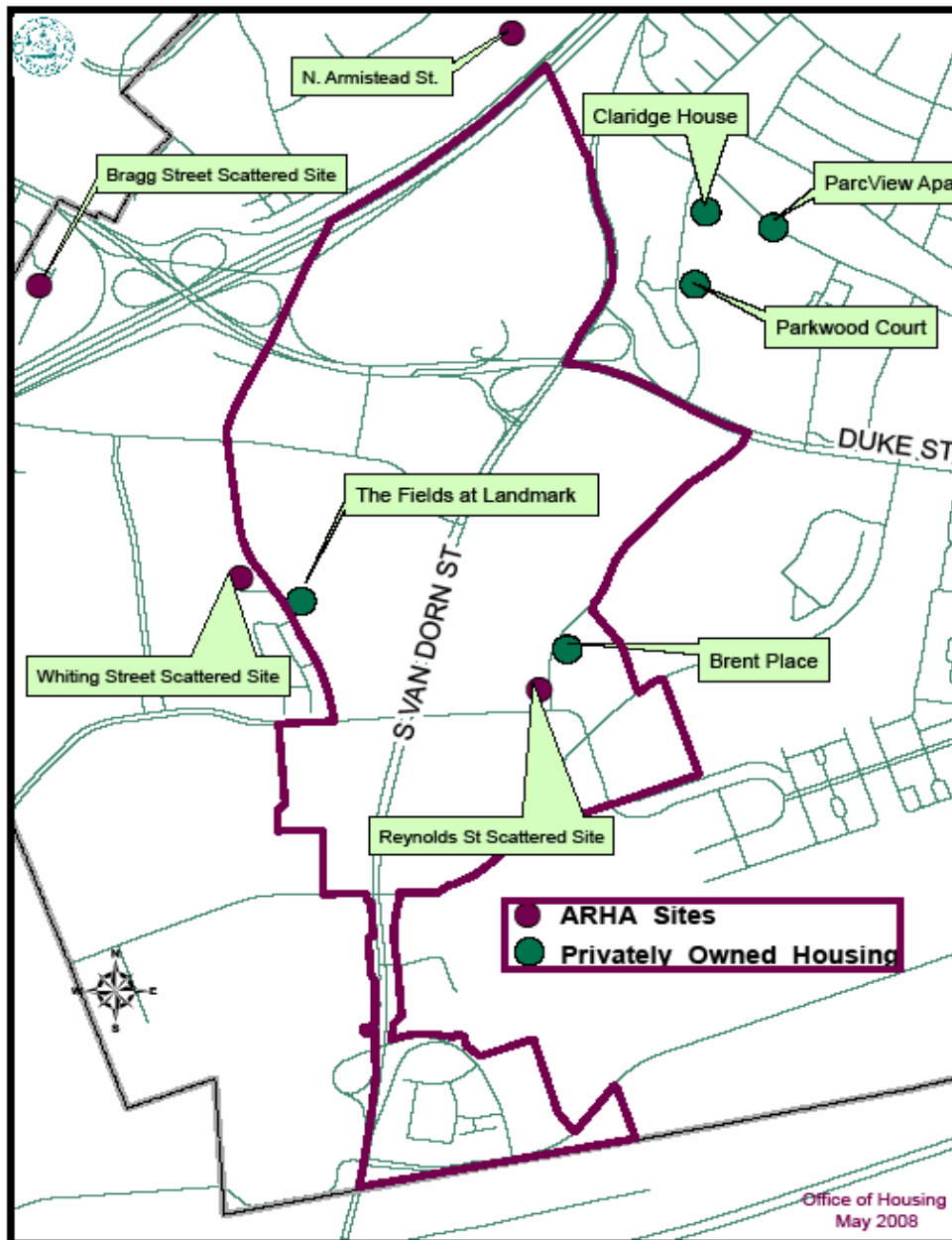
■ In Plan Area

- S. Reynolds Street Public Housing (18 units)
- Brent Place (formerly Essex House) – tax-exempt bonds (209 units)
- The Fields at Landmark (formerly Crestview)– tax credits (290 units)

■ Surrounding Area

- S. Whiting St. Public Housing (24 units)
- Claridge House – Section 8 (300 units, elderly)
- Parkwood Court – tax-exempt bonds (76 units)
- ParcView Apartments – tax-exempt bonds and tax credits (120 units out of 149)

ARHA and Privately-Owned Assisted Housing Landmark Planning Area

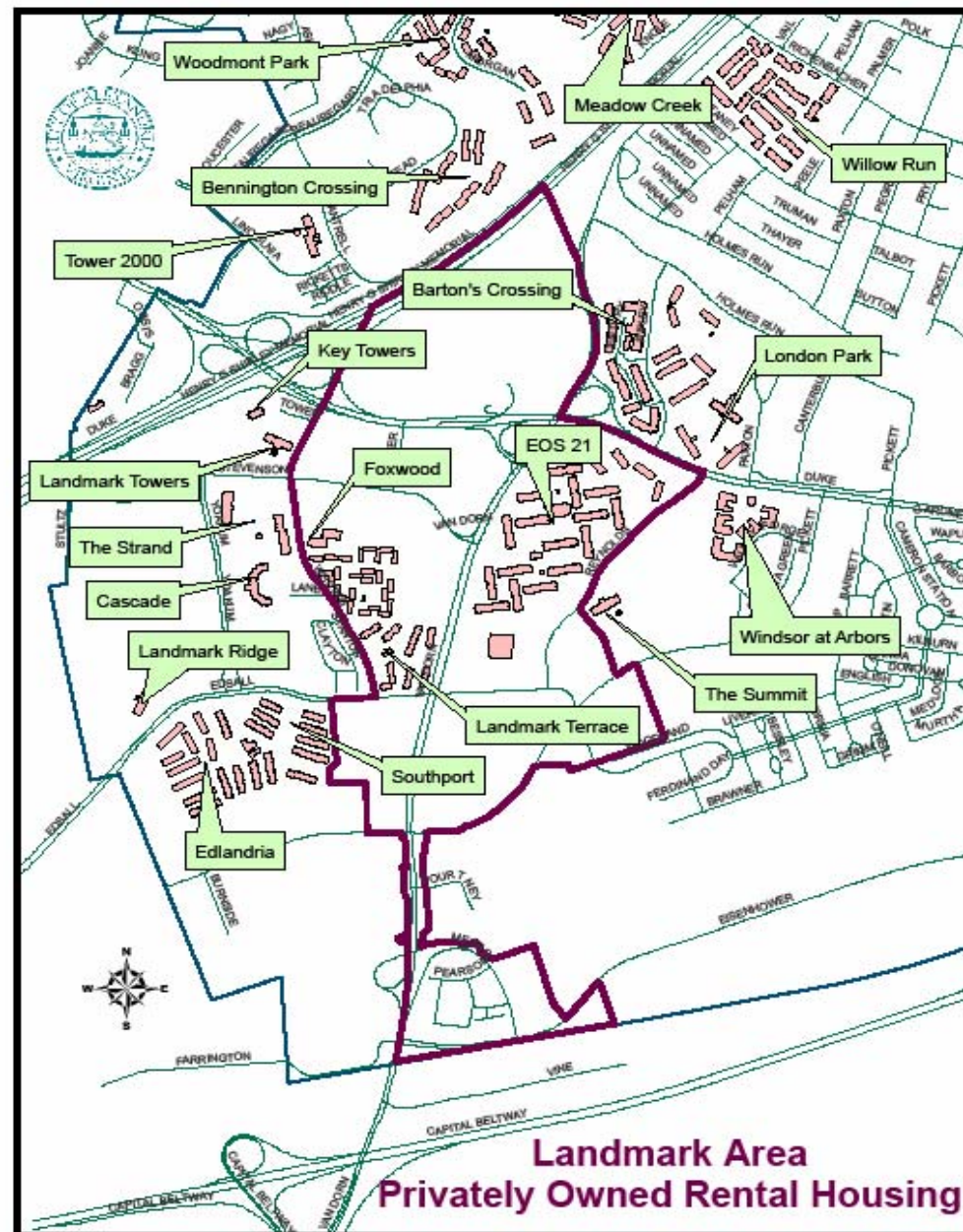


S. Reynolds Street Public Housing



S. Whiting Street Public Housing





Office of Housing
May 2008

Units Affordable to 60% & 80% AMI Within Plan Area

	Eff	1BR	2BR	3BR	Total
60% AMI	76	0	113	15	204
61- 80% AMI	236	184	340	0	760
Total Afford	312	184	453	15	965

Units Affordable to 60% & 80% AMI

Surrounding Plan Area

	Eff	1BR	2BR	3BR	Total
60% AMI	66	99	22	0	187
61- 80% AMI	72	1884	1680	182	3818
Total Afford	138	1983	1702	182	4005

Affordable/Workforce Sales Units Secured through City Development Process

■ Sales Units

■ In Plan Area

- Summer's Grove (8 units out of 191)

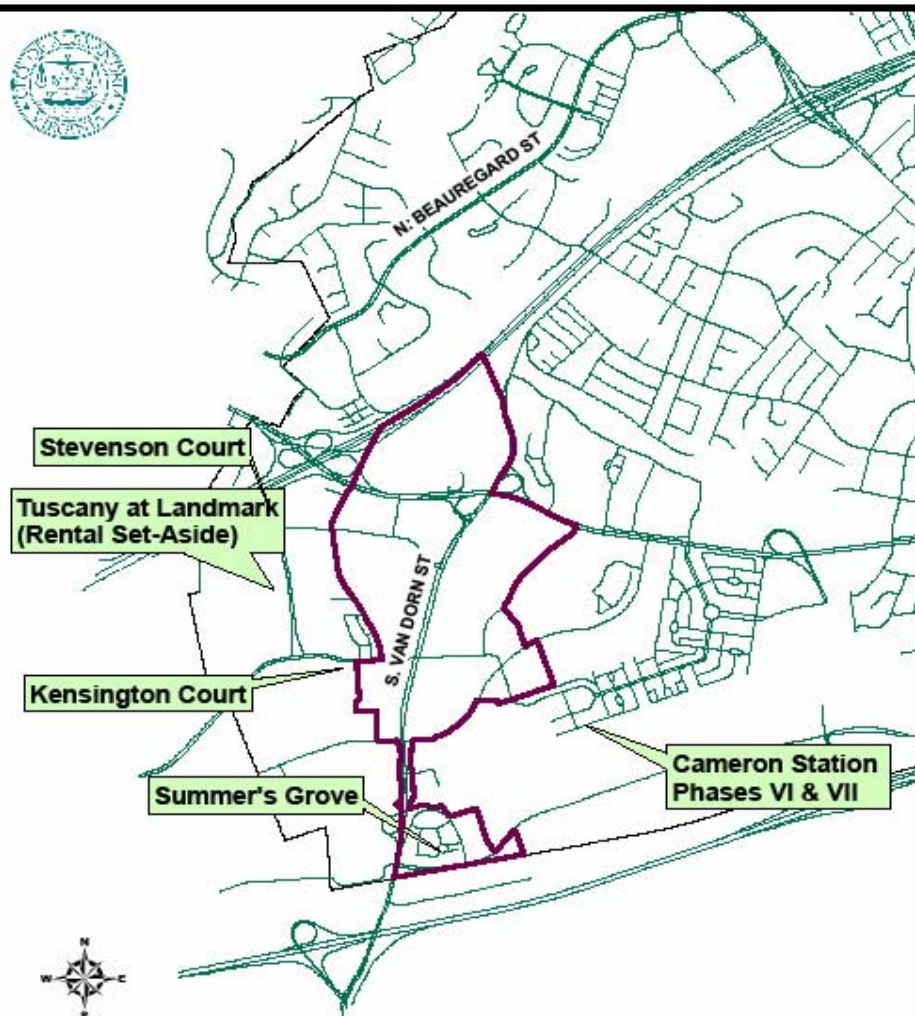
■ Surrounding Area

- Kensington Court (4 units out of 98)
- Cameron Station Condominiums (7 units out of 148)
- Stevenson Court (16 units; also received City financing. Developed by RPJ Housing.)

■ Rental Units

■ Surrounding Area

- Tuscany at Landmark (2 units out of 104)



**Landmark Area
Affordable Housing Set Aside Units**

Market Affordable Condominiums with City-assisted purchasers FY 2007- FY 2008

■ In Plan Area

- EOS 21 (3 HAP, 5 MIHP)

■ Surrounding Area

- Canterbury Square (5 HAP)
- Edsall Bluff (2 HAP)
- Edsall Terrace (1 HAP)
- Greenhouse (1 HAP, 3 MIHP)
- Highpointe (2 HAP, 2 MIHP)
- Olympus (1 HAP)
- Pavilion on the Park (1 HAP, 1 MIHP)
- Reynolds Prospect (1 MIHP)
- The Seasons (3 HAP)
- Stevenson Square (1 MIHP)
- The Sentinel at Landmark (2 HAP, 3 MIHP)
- Templeton (1 HAP, 2 MIHP)
- Watergate at Landmark (2 HAP, 2 MIHP)

2007 Sales Prices in Affordable Condominium Developments

<u>Project Name</u>	<u>No. of 2007 Sales</u>	<u>Price Range</u>	<u>Avg. Price/Sq.Ft.</u>
In Plan Area			
EOS 21	76	\$158,500 - \$325,763	\$303.14
The Lofts	7	\$275,000 - \$365,000	\$285.82
Surrounding Area			
Edsall Bluffs	11	\$210,000 - \$270,000	\$272.05
Edsall Terrace	4	\$255,000 - \$269,000	\$253.13
Reynolds Prospect	7	\$249,900 - \$320,000	\$289.49
Wapleton	7	\$206,000 - \$285,000	\$217.97
Canterbury Square	10	\$180,000 - \$262,000	\$249.98
Templeton	8	\$225,000 - \$425,000	\$198.67
Watergate at Landmark	48	\$226,500 - \$389,000	\$239.49
Greenhouse	10	\$235,000 - \$310,000	\$258.52
Sentinal	15	\$190,000 - \$289,500	\$244.02
Olympus	10	\$220,000 - \$300,000	\$237.36
Highpointe	11	\$170,000 - \$250,000	\$242.47
The Seasons	11	\$155,000- \$302,500	\$251.01

Approaches to affordable housing in Landmark/Van Dorn Area Plan

- Plan may call for housing contributions (on-site or in cash) when a property is rezoned in a manner that provides higher densities (e.g., increases in density, FAR, height)
- Housing contribution should be proportional to amount of density increase, e.g., greater increase calls for greater housing contribution
- Housing contributions may include preservation of existing affordable housing, and may be accomplished through relationships with non-profit affordable housing developers
- Plan may identify an area larger than plan area for satisfaction of affordable housing contribution
- Economic viability of housing contribution must be considered